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**FIRE PROTECTION DISTRICT NO. 9
OF CADDO PARISH, LOUISIANA
DIXIE GARDENS, LOUISIANA
DECEMBER 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/3/05

**FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH, LOUISIANA
DIXIE GARDENS, LOUISIANA
DECEMBER 31, 2004**

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June 17, 2005

Accountants' Compilation Report

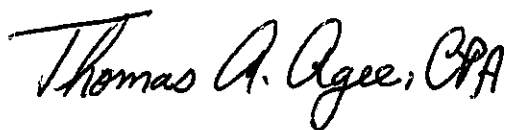
Board of Commissioners
Fire Protection District No. 9 of Caddo Parish, Louisiana
Dixie Gardens, Louisiana

We have compiled the accompanying general purpose financial statements of Fire Protection District No. 9 of Caddo Parish, Louisiana, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of component unit financial statements information that is the representation of the District. We have not audited or reviewed the accompanying component unit financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Fire Protection District of Caddo Parish, Louisiana has prepared its financial statements using the pre-GASB 34 model. The effect of this departure from generally accepted accounting principles has not been determined.

Fire protection District #9 has agreed to merge into Caddo Parish Fire District #5. The approval process is expected to be completed in July 2005 (see Note 9).



Agee & Agee, P.C.
Shreveport, Louisiana
June 17, 2005

**FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH
ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET AT DECEMBER 31, 2004**

	GENERAL FUND	ACCOUNT GROUPS		TOTAL MEMORANDUM ONLY
		FIXED ASSETS	LONG-TERM DEBT	
<u>ASSETS AND OTHER DEBITS:</u>				
CASH (NOTE 3)	\$ 63,619	\$ -	\$ -	\$ 63,619
CERTIFICATES OF DEPOSIT AND SAVINGS(NOTE 3)	17,206			17,206
RECEIVABLES:				
AD VALOREM	78,756			78,756
AND SERVICE FEE(NOTE 2)				
DEPOSITS	250			250
OTHER DEBITS:				
BUILDINGS (NOTE 4)		35,243		35,243
EQUIPMENT (NOTE 4)		37,912		37,912
AUTOS (NOTE 4)		2,750		2,750
FIRE TRUCKS (NOTE 4)		289,725		289,725
AMOUNT TO BE PROVIDED FOR PAYMENT OF CERTIFICATES OF INDEBTEDNESS(NOTE 6)			72,000	72,000
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 159,831</u>	<u>\$ 365,630</u>	<u>\$ 72,000</u>	<u>\$ 597,461</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
CERTIFICATES OF INDEBTEDNESS (NOTE 6)	\$ -	-	\$ 72,000	\$ 72,000
FUND EQUITY:				
FUND BALANCE - UNRESERVED AND UNDESIGNATED	159,831			159,831
INVESTMENT IN GENERAL FIXED ASSETS		365,630		365,630
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 159,831</u>	<u>\$ 365,630</u>	<u>\$ 72,000</u>	<u>\$ 597,461</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' COMPILATION REPORT.

**FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING DECEMBER 31, 2004**

	<u>GENERAL FUND</u>
<u>REVENUES:</u>	
AD VALOREM TAXES SHREVEPORT (NOTE 8)	\$ 47,449.00
AD VALOREM TAXES AND FEES (NOTE 2)	81,198
INTEREST AND PENALTIES	339
INTERGOVERNMENTAL REVENUES-STATE FUNDS:	
STATE REVENUE SHARING	1,016
FIRE INSURANCE PREMIUM REBATE	<u>2,612</u>
TOTAL REVENUES	<u>\$ 132,614</u>
 <u>EXPENDITURES:</u>	
PUBLIC SAFETY-FIRE PROTECTION	
SHERIFF'S COMMISSIONS/PENSION	3,620
AUDIT EXPENSE	1,000
LEGAL EXPENSE	7,116
CONTRACT SERVICES	44,400
MEDICAL EQUIPMENT	8,253
PRINCIPAL PAYMENTS ON DEBT	10,000
INTEREST PAYMENTS ON DEBT	4,444
BAD DEBT	20,321
MISCELLANEOUS	<u>84</u>
TOTAL EXPENDITURES	<u>\$ 99,238</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 33,376
FUND BALANCE AT BEGINNING OF YEAR	<u>\$ 126,455</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 159,831</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' COMPILATION REPORT.

**FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (CASH BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING DECEMBER 31, 2004**

	GENERAL FUND			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES:</u>				
AD VALOREM TAXES AND SERVICE FEI	\$ 71,000	\$ 116,700	\$ 122,838	\$ 6,138
INTEREST AND PENALTIES			339	339
INTERGOVERNMENTAL REVENUES				
STATE REVENUE SHARING	1,000	1,000	1,016	16
FIRE INSURANCE PREMIUM REBATE	2,400	2,400	2,612	212
TOTAL REVENUES	<u>\$ 74,400</u>	<u>\$ 120,100</u>	<u>\$ 126,805</u>	<u>\$ 6,705</u>
<u>EXPENDITURES:</u>				
PUBLIC SAFETY-FIRE PROTECTION:				
LEGAL SERVICES	\$ 5,000	x \$ 5,000	\$ 7,116	\$ (2,116)
AUDIT FEE	1,500	x 1,500	1,000	500
SHERIFF COMMISSION/RETIREMEN	\$ 3,500	3,500	3,620	(120)
MISCELLANEOUS	\$ 200	200	84	116
MEDICAL EQUIPMENT			8,253	(8,253)
CONTRACT SERVICES (NOTE 7)	44,400	x 44,400	44,400	
PRINCIPAL AND INTEREST PAYMENT ON DEBT	14,444	x 14,444	14,444	
TOTAL EXPENDITURES	<u>\$ 69,044</u>	<u>\$ 69,044</u>	<u>\$ 78,917</u>	<u>\$ (9,873)</u>
EXCESS (DEFICIENCY) OF REVENUES OVEREXPENDITURES	\$ 5,356	\$ 51,056	\$ 47,888	\$ (3,168)
FUND BALANCE AT BEGINNING OF YEAR	<u>\$ 31,712</u>	<u>\$ 31,712</u>	<u>\$ 31,712</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 37,068</u>	<u>\$ 82,768</u>	<u>\$ 79,600</u>	<u>\$ (3,168)</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' COMPILATION REPORT.

**FIRE PROTECTION DISTRICT NO. 9 OF CADDO PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2004**

INTRODUCTION

Fire Protection District No. 9 of Caddo Parish was created in 1990 by resolution of the Caddo Parish Commission to purchase and maintain fire equipment and to provide fire protection for the people of Fire Protection District No. 9 of Caddo Parish. Operations began in May, 1990. The District is governed by a board of commissioners consisting of five (5) members, all of whom are appointed by the Caddo Parish Commission. Members serve two-year terms and receive no compensation for their services. Fire protection services are provided by Caddo Parish Fire District #5 on a contract basis (Note 7).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Fire Protection District No. 9 of Caddo Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units pre GASB 34. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. *Appointing a voting majority of an organization's governing body, and*
 - a. The ability of the Commission to impose its will on that organization; and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.
2. Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Caddo Parish Commission appoints all members of the governing board and has the ability to impose its will on them, the District was determined to be a component unit of the Caddo Parish Commission, the governing body of the parish. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish commission, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The District uses a fund and an account group (general fixed assets) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The general fund of the District is classified as a governmental fund. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. All financial resources are accounted for in the general fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. *The governmental fund is accounted for using a current financial resources measurement focus.* With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

Ad Valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Substantially all other revenues are recorded when they become available to the District.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Other Financing Sources:

Transfers between funds that are not expected to be repaid are accounted for as other financing sources. Debt proceeds are accounted for as other financing sources.

E. BUDGETS

The budget for the ensuing year is prepared by District personnel prior to December 31 of each year. The budget is then made available for public inspection at least fifteen

days prior to the budget's adoption during the District's regular December meeting. The budget is prepared on the cash basis of accounting, and is legally adopted and amended, if necessary, by the Board of Commissioners. Unexpended appropriations lapse at year end and must be reappropriated in the following year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments.

The following is a reconciliation of excess of revenues over expenditures (GAAP basis) presented on Pages 3 and 4:

Excess (deficiency) of revenues over expenditures (budget basis)	\$ 47,888
Adjustments	
Property tax accruals, net	\$ 14,512
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$ 33,376</u>

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes and parcel fees for 2004:

	<u>Authorized</u>	<u>Levied</u>
Maintenance and Operation Tax (millage)	\$10.00	\$10.00
Parcel Fees (per parcel of property)	\$75.00	\$75.00

Total Taxes and Fees Levied:	\$ 81,192
Less Allowance for Uncollectible	<u>2,436</u>
Taxes Receivable	\$ 78,756

3. CASH

At December 31, 2004, the District has cash (book balance) in demand deposits of \$63,619 and certificates of deposit of \$17,206 that total of \$80,825. These deposits are stated at cost, which approximates market value. All of the deposits are secured by federal deposit insurance.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance Jan 1, 2004	Additions	Deletions	Balance Dec 31, 2004
Autos	\$ 2,750			\$ 2,750
Buildings	35,243			35,243
Equipment	29,659	\$ 8,253		37,912
Fire trucks	289,725			289,725
Totals	\$ 357,377	\$ 8,253		\$ 363,155

5. LITIGATION AND CLAIMS

At December 31, 2004, the District is not involved in any litigation or aware of any claims.

6. CERTIFICATES OF INDEBTEDNESS

The District borrowed \$110,000 during the year 2000 to help fund the purchase of an additional fire truck. The borrowing consists of the issuance of Limited Tax Certificates of Indebtedness, \$90,000 of which were purchased by Sabine State Bank & Trust, and \$20,000 of which were purchased by the Louisiana Public Facilities Authority. The certificates are secured by the pledge of the proceeds of the District's property tax receipts through 2009. The certificates held by Sabine State Bank bear an interest rate of from 1.00% to 6.60%; the certificates held by Louisiana Public Facilities Authority bear no interest.

Future required principal payments on these certificates follow:

	Sabine State Bank & Trust	Louisiana Public Facilities Authority	Total
2005	6,000	4,000	10,000
2006	11,000		11,000
2007	12,000		12,000
2008	12,000		12,000
2009	13,000		13,000
2010	14,000		14,000
	\$ 68,000	\$ 4,000	\$ 72,000

7. FIRE PROTECTION AGREEMENT

In the public interest, Caddo Parish Fire District Number 9 (District 9) and Caddo Parish Fire District Number 5 (District 5) entered into a contract to maximize available fire protection services within both districts. The agreement was approved by both boards and became effective October 14, 2002, and continues through December 31, 2005, unless or until modified within the terms of the agreement

In general, District 9 will pay District 5 \$3,700 per month to cover the cost of operating, maintaining the district station and equipment. District 9 will continue to make payments on their 2001 international interface pumper truck of \$14,000 per year. District 9's volunteers will be required to be a member of both districts.

District 5 will utilize District 9's trucks, equipment and station and respond to all fire, rescue and emergency medical calls in District 9. Dispatch of appropriate units and apparatus shall be determined by the Chief of District 5. The district will maintain one paid firefighter at District 9 between the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday. District 5 will be responsible for management and appropriate training of all personnel. The complete contract is available at both district's central stations.

8. AD VALOREM TAXES – SHREVEPORT

An intergovernmental agreement between the City of Shreveport and Caddo Parish Fire District #9 resolving annexation and Ad Valorem Taxes issues was signed.

In summary the City of Shreveport agreed to pay CPFD # 9 a total of \$47,437.98 for taxes due on annexed property through 2003. Subsequent payments will be made for subsequent years as agreed.

- 9. CPFD #9** agreed to merge with CPFD #5. A petition was circulated seeking voter approval. The signed petitions were verified by the resistor of voters and submitted to the Caddo Parish Commission who approved the merger at first reading. The completion of the approval process is expected to be completed in July 2005.